

CHRISTMAS 1964



*President* J. N. LAWRENCE



# Canada

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## Coin News

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# International Banknote Society



President: J. N. Lawrence

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The officers of the International Banknote Society send their goodwill wishes for a Merry Christmas and a Happy New Year to all members of the society. Some 40 countries will receive this Christmas issue, including all the major powers, and it is hoped that the society has helped to make many friendships among collectors all over the world regardless of their race, creed or politics.

# ***An Interesting Chinese Copper Exchange Note***

By K. O. Mao of Hongkong

In June this year, I was spending my vacation in Japan and at Nagoya I discovered some copper dollar Exchange Notes in a stamp dealer's shop.

These Exchange Notes were issued by Chinese Exchange Shops for use in high-class brothels. It was customary, in the old days, for prostitutes to tip the servants of their customers, and these Exchange Notes were issued for this purpose. Their area of circulation was usually the districts or towns where the Exchange Shops were situated. As a result the amount issued was never big, but the variety was very great. Since the prohibition of prostitution in 1946, these Exchange Notes gradually fell out of use and were seldom seen in the market. Therefore I was greatly surprised to find them in Japan. The Japanese have paid great interest in all Chinese antiques and have preserved a lot of valuable Chinese masterpieces of art.

One of the most interesting of these Exchange Notes is shown here.



- (a) Publisher: Wing Long Zang Bank.
- (b) Face value: 20 copper coins.
- (c) Place: British concession of Shanghai, China.
- (d) Date: 1924.



(e) Design:

On the obverse is a picture of five children, the one in the middle holding the five-coloured Chinese flag; this is to signify the peaceful relation between the five races, namely the Hans, the Manchus, the Mongols, the Moslems and the Chinese. There were two other meanings:

- (i) All five sons passed the Civil Servant examination.
- (ii) The five lucky stars come to your home. Both of these meanings were embedded in two Chinese idioms with which the people in the brothels used to wish their customers good luck.

On the reverse is a picture of beautiful scenery in the outskirts of Shanghai. The spot is seven miles to the west of the city. Situated there was a thousand-year-old monastery and before the monastery was the Loong Wah Pagoda. The place was well known in Shanghai for its beauty and quietness. The Exchange shops used its picture, meaning that the brothel was a quiet and decent place for relaxation like that holiday resort.

\* \* \* \*

## Part II.

# RUSSIAN PAPER MONEY ISSUED BY THE PROVINCIAL GOVERNMENT

(April-October 1917)

By Victor C. Seibert

Part I appearing in the September, 1964 issue of the IBNS Journal accounted for the fall of the Czarist Government in Russia and the rise of the Provisional Government. The collapse of the Imperial Government was not the result of a sudden or spontaneous revolutionary movement but rather the culmination of a growing discontent brought on by the unbearable rule of the previous government. In all such instances, the new government is faced with the problem of immediately remedying all grievances and discontent. If conditions do not improve immediately, the new government is also faced with the problem of being overthrown. That is exactly the situation that the Provisional Government faced in April, 1917, when it rose to power to replace Nicholas II.



The Provisional Government actually came into being on March 2nd-3rd, 1917 (March 15th Russian calendar) when Nicholas II signed a Manifesto of Abdication in favour of his brother Michael. Michael also abdicated the next day and it was then that the Executive Committee formed a bourgeoisie Provisional Government. This new government included such well-known men as P. N. Milyukov, A. I. Gushkov, A. I. Kononov, A. F. Kerensky and Prince G. E. Lvov. The government chose Prince G. E. Lvov as president and A. F. Kerensky as "prime minister".

Trouble was the Provisional Government's lot from its very first day. The new government did not include all of the factions that had grievances against the existing laws and it was these organisations that soon showed that they had to be satisfied through economic and social reform or another revolutionary wave would sweep over Russia. The working class of Russia although not represented in the new government as an organised group, could make itself heard through the Soviet of Workers and Soldiers Deputies. It was not long until this working class accounted for 65 per cent of the peasantry and so became powerful enough to demand social reforms so wide in scope that it could be classified a social revolution.

By May 5th, 1917 this class, by means of strikes, demonstrations, and formation of political units was able to force the formation of a coalition government. The government now consisted of Cadets (Bourgeoisie), Octobrists (Landowners), Mensheviks and the S.R.s. From May 4th to May 28th, 1917, the First All-Russian Congress of Deputies was in session and the country maintained confidence in the Provisional Government. The working class under the leadership of Lenin openly demanded by July, 1917, that the Provisional Government should be transferred to the Soviets. Prince Lvov was replaced by A. F. Kerensky as the head of the Provisional Government. To combat the growth of the Lenin group, General Kornilov was instructed on July 18th, 1917 to march and destroy the Lenin forces at Petrograd. However, when it was discovered that 40,000 workers had joined the Red Army ready to do battle for the Lenin cause, the venture was cancelled. It was now merely a question of time as to when the Provisional Government would collapse. By November 28th, 1917, the overthrow of the government was complete and the Lenin forces took over the reins of ruling Russia.

The provisional Government did not collapse only for its inability to bring about drastic demanded social reforms, but also because its financial system collapsed. The Kerensky government inherited a tremendous financial debt created in large part by World War I. In fact, the war debt was over 30,000 million rubles, and this was covered in part by foreign loans and by the issuance of a tremendous amount of paper money (increased from 1,600 million rubles March 1st, 1914 to 9,500 million rubles on



March 1st, 1917). In fact, so much was issued that by March 1st, 1917 the paper ruble was worth only 27 kopecks. Yet the Provisional Government realised that the existing quantity was not enough and so more had to be printed—and fast. Since the local presses could not print up the paper money as fast as it was needed, foreign contracts were drawn up and signed for some to be printed in foreign countries. (The American Bank Note Company was one that contracted for the printing of Russian paper money.)

This new paper money released by the Provisional Government was of plain design and colour, printed on a cheap quality of paper, many times unsigned and unnumbered. This was a tremendous change from that which the Russian people were used to and so they were suspicious of it and in many cases refused to accept it for payment for wages or commodities. When the 1,000 ruble "Duma" note was released, the people were not only suspicious of it, but were in dire need of paper money in small denominations. But this created another problem. The wages in Russia had increased to such a level that it was not financially sound to have an individual spend his time working in a printing plant making paper money of small denominations. To emphasise the quantity of paper money released, we must but recall that before the overthrow of the Czars, 272 million rubles of paper money were released each month. The Provisional Government increased this four times.

By August, 1917, the Provisional Government realised that a great financial disaster would occur in 30 days unless some new source of money could be found. The Minister of Finance found the answer by placing an order with the American supplier for immediate delivery of 25 and 100 ruble notes. But relief was not to be, for the American supplier could not deliver the order until some time in the spring of 1918. This promised delivery date would be too late to avert the financial collapse of the new government.

The Minister of Finance had the 250 ruble note designed and printed. This new note was beautifully designed and printed with the double-headed eagle in order to regain the confidence of the people. The 250 ruble note would not, however, fill the requirement for small denominated currency. So on August 22nd, 1917, authorisation was granted to print the 20 and 40 ruble Treasury notes up to 1,000 million rubles. Since the financial catastrophe was now expected by the first of October, it was decided to print them without serial number or signature. Also, it was decided to print them and distribute them as uncut sheets. This would eliminate the cost and time required to cut them. This last job was therefore transferred to the banks. The Minister of Finance also issued a public statement that these "beer stamps" as they were called, were only temporary and would soon be replaced with good quality notes. This also did not solve the problem



entirely, so as the next move, the one, two and three kopeck stamps were counterstamped with black ink to show their real value. But, all of these desperate actions came to naught by November, 1917 and the Socialistic Government replaced the Provisional Government. This new government will be dealt with in the next issue.

Not only did the Provisional Government flood the country with their own designed paper money but in many instances took the plates for Czarist money and printed them up without change of design or date. These can only be distinguished by the name of the bank director appearing thereon and in some cases only by the quality of paper or ink appearing thereon.

\* \* \*

## NOTES ON SOME UNUSUAL PAPER MONEY

by RONALD KOWALESKI

**Mafeking**, town of Cape Province, South Africa. On the outbreak of the South African War in 1899, Mafeking was invaded by the Boer forces, but was defended by Colonel Baden-Powell with a small garrison, and after a siege of seven months was relieved on May 17th, 1900. The headquarters of the administration of the Bechuanaland Protectorate were located in Mafeking until 1961.

### MAFEKING SIEGE NOTES

#### **One Shilling:**

January, 1900. Issued by the Authority of Colonel R. S. S. Baden-Powell, Commanding the Rhodesian Forces. This voucher is good for ONE SHILLING and will be exchanged for coin at the Mafeking Branch of the Standard Bank on the resumption of Civil Law. Chief Paymaster: H. Greener  
Capt. A3411, A3720 and A5119.

#### **Two Shillings:**

January, 1900. Similar to above. 5126, A6104 and A6105.

#### **One Pound:**

January, 1900. Similar to above. 500 (see illustration in September issue of I.B.S.).

#### **Ten Shillings:**

March, 1900. This Note is good for TEN SHILLINGS (STERLING) during the siege and will be exchanged for coin on resumption of civil law at the Standard Bank, Mafeking. Issued by Authority of Colonel R. S. S. Baden-Powell, Commanding (sic) Frontier Forces. Chief Paymaster: H. Greener

Capt. 1099 and 1304 with printer's error Commaning instead of Commanding. 6328 and 6956 without error Commanding instead of Commaning.

**Mafeking Garrison Soup Ticket. 55.**

If any members of the club have information regarding other issues or if they have specimens to sell please contact me at 5648 Girard Avenue, Niagara Falls, New York, U.S.A.

**GENERAL GORDON NOTE**

**Khartoum (Sudan).** One Piastre =  $2\frac{1}{2}$  Pence English money. Note issued by Major-General Charles George Gordon (popularly known as Chinese Gordon and Gordon Pasha), besieged at Khartoum by the Mahdis troops led by Mohammed Ahmed. He succeeded in evacuating about 2,500 women, children and sick and wounded persons before the city was surrounded by Ahmed's troops. He withstood the siege for ten months. The British Government did not send an expedition to relieve him until November, 1884, and this force arrived only after Khartoum had fallen and Gordon had been killed. The above note has Gordon's signature.

**BULAWAYO FIDUCIARY STAMP CURRENCY**

**Three Pence:**

The Civil Commissioner, Bulawayo. Please pay in cash to the person producing this card the face value of the stamp affixed thereto, if presented on or after the 1st August, 1900. This card must be produced for redemption not later than 1st October, 1900. Administrator's office. Secretary: H. Marshall Hole.

**Six Pence:**

Similar to above, red and violet.  
Similar to above, violet.

**One Shilling:**

Similar to above, blue and green.  
Similar to above, brown and red.

**Two Shillings:**

Similar to above, blue and green.

**Half-a-Crown:**

Similar to above, yellow and violet.

**Ten Shillings:**

Similar to above, red and black.

I am now trying to write a book on "Paper Money of Hong-kong" but still need more information on the different issues and specimens for illustration. If any members can help me I shall be pleased to hear from them.



# **The 1941 Issue of Panamanian Paper Money**

by Dr. Walter M. Loeb

Prior to 1941 the only legal tender in paper were notes issued by the United States. During this year President Arias became very nationalistic and finally became openly hostile to the United States and its allies. Stressing nationalism, he directed that all signs be in Spanish only, where before they had always been bilingual in Spanish and English. President Arias then declared that Panama should have its own paper currency. Lacking the necessary funds he took a large amount of United States currency held in the government's funds and used this as the backing for the new Panamanian paper currency.

The President then took a holiday in Cuba, and a group of pro-United States Panamanians carried out a bloodless coup and declared Ricardo de la Guardia as president. President de la Guardia then declared that all Panamanian notes were to be recalled and this was carried out. Unissued stocks of the notes were burned. Probably the scarcity of these notes is due to the fact that the Panamanians feared that the notes would become worthless and therefore turned them in for exchange with alacrity. All notes redeemed were then destroyed.

The issue itself consisted of 1, 5, 10 and 20 Balboa notes printed by the Hamilton Bank Note Company of New York. All are of the same size of 158 x 67 mm.

- 1 Balboa-Series, 1941. Balboa centre. Black, green and red. Reverse green.
- 5 Balboa-Series, 1941. Chief Urraca at left. Black, blue, violet and orange. Reverse blue.
- 10 Balboas-Series 1941. Ancient fortress. Black, violet, orange and green. Reverse brown.
- 20 Balboas-Series, 1941. Bullocks pulling sugar cane cart. Black, orange and red. Reverse orange.







An aftermath to the above issue was the publication of a facsimile 1 Balboa note by the pro-Arias party. This propaganda note was distributed illegally with the hope that it would bring the Arias party back to power.

The note is printed in the same colours and wording as they appear on the genuine 1 Balboa note. However at the top is the propaganda message "Facsimil del Billeto, Simbolo de Soberania"—translated "Facsimile of the Panamanian note, Symbol of Sovereignty". Apparently the distribution of this propaganda note was very limited as it is even rarer than the genuine note.

The rare notes illustrated have not been published in any numismatic work before and are by courtesy of Dr. W. Loeb.

\* \* \* \*

## **BOOKS IN THE INTERNATIONAL BANKNOTE SOCIETY LIBRARY AT PHILAMATIC CENTRE, BOYS TOWN, NEBRASKA, U.S.A.**

Five volumes of clippings from Coin World.

Sedlar & Mynt (1952) Catalogue No. 9 Paper Money and Coins.

Jean Forein et Geo. Barraud (1953) Catalogue Des Papiers-Monnaie Locaux Francais, 1914-23.

Raymond S. Toy (1964) World War II Military Currency.

Alfred J. Swails (1961) Military Currency W.W.II & Supplement.

Macdonald & Co. Bankers (1962) Victoria, Vancouver Island, 1859-64.

Murray L. Sweigman (1962) Cash Prices Paid for Coins and Currency. Canada — Newfoundland — United States—Great Britain 2nd Ed. Vol. No. 2.



- J. E. Charlton (1962) Standard Catalogue of Canadian Coins, Tokens and Paper Money, 10th Edition.  
 Exhibition Catalogue, Victoria Numismatic Society, November 11th to 25th, 1956.  
 Harold Don Allen (1960), Canadian Numismatic Digest for National Coin Week.  
 Fred Reinfeld (1957), The Story of Paper Money, Including Catalogue and Values.  
 Harold Don Allen (1957-9), National Coin Week Clipping Verdun Messenger.  
 Dr. Walter M. Loeb (1961), Catalogue of Paper Money Around the World.  
 American Numismatic Association Library Catalogue (1962).  
 American Numismatic Association Directory (1964).  
 American Numismatic Association Numismatist January, 1963 to date.

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## Occupation Money Of Hitler Germany For Use In The U.S.S.R.

by V. L. Loktik of the Soviet Union

Banknotes issued by the Hitler regime for the occupation of Russia were of three denominations, and only four examples of this money are in the hands of collectors. They are: Banknotes of one ruble, of one tscherwonez, and five tscherwonez. They are kept at the treasury of the U.S.S.R. except for one note, a five tscherwonez which is in the hands of a collector in Moscow.







All are printed on good paper with watermarks and they are multi-coloured. According to the control numbers they were printed in great numbers.

However, the heroic resistance of the Soviet Army and the Soviet people brought down the fantastic ideas of Hitler Germany. Perhaps the strong resistance of the Soviets to the German advances in 1941 put some doubts of the success of Hitler into the minds of influential Germans and consequently the paper money was never issued, for their history is a mystery.

By the time these specimens had come into the hands of collectors the main printing was missing, presumably destroyed.

I wrote to Dr. Arnold Keller, the well-known German expert on world paper money issues, and asked if he knew anything about these notes, but he could not throw any light on the matter.

He replied: "The notes Emission Bank Kiev, 1941. These are very remarkable notes and no-one in Germany possesses them.

"The serial number is similar to the State Printing Works of Berlin—but had these notes been issued some would have come into Germany."

In another letter, Dr. Keller said: "According to the numbers they are most certainly printed from our own State Printing Works. It is however, strange that no-one here had any idea about the existence of these notes. In the memoirs of the American minister, Cordell Hull, is talk about them and that the Allies heard that in Berlin banknotes were being printed for the occupation of Russia. When I heard about this in 1947 I asked about these notes at the State Printing Works and I got this answer: 'They had not printed anything like that'."



Further attempts were made to discover the history of the notes at the State Printing Works and Dr. Keller wrote again saying: "No-one who worked there in 1941 is working there now. In 1945 the printing works were completely bombed out and virtually the whole personnel were made redundant. It was not until 1948 that the printing works started slowly again, and with new personnel."

So it looks as though the money was printed at the State Printing Works of Berlin, but that owing to the unsuccessful attempts of Hitler to conquer the Soviet peoples, the notes were never used. If anyone knows anything about these notes I would be grateful if they would contact me. My address: U.S.S.R., Ukraina, Aleksandzia, Kizovogradskoi oblasti, ul. Semashko 6, V. L. Loktik.

## THE HONG KONG DURESS NOTES

By C. C. Narbeth

The swift and surprisingly sudden advances of the Japanese Armies in 1941 caught the British napping to such an extent in Hong Kong that they had just completed a printing of banknotes. The arrival of Japanese soldiers in Hong Kong on December 25th, 1941, prevented their issue by the British.

The Japanese found these notes and other notes of the three note-issuing banks, and, it would seem, decided to treat them as a Christmas present from the British. They promptly put them into circulation. Naturally this was done without any authority from the banks or the Government of Hong Kong.

Following requests from the banks the Colonial Office asked Free China Radio in Chungking to broadcast a warning to the residents of Hong Kong that the notes would not be honoured by the banks when British rule was reinstated.

The notes, however, continued to circulate in Hong Kong and South China, though they passed at two-thirds discount in deference to the Free China Radio warning. The holders at the time of the Japanese surrender were lucky—for despite the warnings the Government decided to honour these notes.

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In exchange of any paper money I send paper money, postage stamps or matchboxes (MBL) of the U.S.S.R. and China. My address is:

**U.S.S.R., Ukraina, Aleksandzia, Kizovogradskoi,  
oblasti, ul. Semashko 6, V.L. Loktik.**

# PAPER MONEY OF THE YUGOSLAVIAN STATES

As catalogued by Dimitrije B. Spajic, 12 Rue Lomina,  
Belgrade (3), Yugoslavia

## OCCUPATION ISSUES

### SERBIA (German Military Occupation)

1941—Srpska narodna banka (Serbian National Bank). Value in Serbian dinars.

10 Serb. Dinars (May 1, 1941)	U.S. Dollar	.25
20 Serb. Dinars (May 1, 1941)	"	.30
50 Serb. Dinars (Aug. 1, 1941)	"	.35
100 Serb. Dinars (May 1, 1941)	"	.25
500 Serb. Dinars (Nov. 1, 1941)		
Watermarks: Head of King Alexander	"	.85
500 Serb. Dinars (Nov. 1, 1941)		
Watermarks: Head of woman	"	.40
1000 Serb. Dinars (May 1, 1941)	"	1.00

1942—Srpska narodna banka.

20 Serb. Dinars (May 1, 1942)	Not issued	U.S. Dollar	3.00
50 Serb. Dinars (May 1, 1942)		"	.30
500 Serb. Dinars (May 1, 1942)		"	.35
1000 Serb. Dinars (May 1, 1942)			
Watermarks: Head of King Peter II	"		2.00
1000 Serb. Dinars (May 1, 1942)			
Watermarks: Head of woman	"		.80

1943—Srpska narodna banka.

100 Serb. Dinars (Jan. 1, 1943)	U.S. Dollar	.35
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### CROATIA (Fascite-Ustasha Independent State of Croatia)

1941—Nezavisna Drzava Hrvatska (Independent State of Croatia). Value in kunas

10 Kuna (Aug. 30, 1941)	U.S. Dollar	.35
50 Kuna (May 26, 1941)	"	.50
100 Kuna (May 26, 1941)	"	.30
500 Kuna (May 26, 1941)	"	.85
1000 Kuna (May 26, 1941)	"	.25

1942—Nezavisna Drzava Hrvatska.

50 Banitza (Sept. 25, 1942)	U.S. Dollar	.50
1 Kuna (Sept. 25, 1942)	"	.40
2 Kuna (Sept. 25, 1942)	"	.45

1943—Hrvatska Drzavna banka (Croatian State Bank).

100 Kuna (Sept. 1, 1943)	U.S. Dollar	2.00
1000 Kuna (Sept. 1, 1943)	"	1.00
5000 Kuna (July 15, 1943)	"	1.50
5000 Kuna (Aug. 1, 1943)	"	2.00

1944—Nezavisna Drzava Hrvatska (Independent State of Croatia).

20 Kuna (Jan. 15, 1944)	Not issued	U.S. Dollar	2.00
50 Kuna (Jan. 15, 1944)	Not issued	"	3.00



**SLOVENIA** (German Military Administration)

1944—Hranilnica Ljubljanske Pokrajine (The Savings-Bank of the Province of Ljubljana). Value in Slovenian lire.

1/2 Lire (Nov. 28, 1944)	U.S. Dollar	.30
1 Lire (Nov. 28, 1944)	"	.40
2 Lire (Nov. 28, 1944)	"	.50
10 Lire (Nov. 28, 1944)	"	.65
50 Lire (Sept. 14, 1944)	"	1.50
100 Lire (Sept. 14, 1944)	"	2.50
500 Lire (Sept. 14, 1944)	"	3.50
1000 Lire (Sept. 14, 1944)	"	5.00

**SLOVENIA** (Partisan issues)

1944—Gospodarsko financi odbor osvobodilne fronte (Liberty Front). Star with "Smrt fasizmu—svobodo narodu" (To death fascism—liberty to the people)

50 Lit.	U.S. Dollar	.50
100 Lit.	"	.80
500 Lit.	"	—
1000 Lit.	"	—
5000 Lit.	"	—

1944—Denarni zavod Slovenije (The Monetary Bank of Slovenia).

1 Lire (Feb. 20, 1944) AA No. ... red-brown	U.S. Dollar	—
1 Lire (Feb. 20, 1944) B, G. No. ... blue ...	"	—
5 Lire (Feb. 20, 1944) A No. ... red-blue ...	"	—
5 Lire (Feb. 20, 1944) AA No. ... blue ...	"	—
10 Lire (Feb. 20, 1944) ... blue-redbrown	"	—
10 Lire (Feb. 20, 1944) ... brown	"	—
100 Lire (Feb. 20, 1944)	"	—

1944—Izvršni odbor OF Slovenskega naroda (Action Committee of the liberty front).

20 Lire	U.S. Dollar	—
20 Reichsmark	"	—
50 Reichsmark	"	—
500 Reichsmark	"	—
100 Lit.	"	—
1000 Lit.	"	—
10000 Lit.	"	—

—Narodni osvobodilni svet za Slovensko Primorje (National liberation committee for Slovenian coast).

400 Lire	U.S. Dollar	—
4000 Lire	"	—

—Kan. O.N.O.O. (O.F.).

100 Lire	U.S. Dollar	—
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—Okrožni odbor O.F. (O.O.O.F.) za Basko.

50 Lire	U.S. Dollar	—
100 Lire	"	—
400 Lire	"	—
5000 Lire	"	—

1945—Gospodarska banka za Istru, Rijeku i Slovensko Primorje (Economic Bank for Istra, Rijeka and The Slovenian Coast). Value in Yugolire.

1 Lire (1945)	U.S. Dollar	.35
2 Lire (1945)	"	.45
5 Lire (1945)	"	.25
10 Lire (1945)	"	.30
20 Lire (1945)	"	.50
50 Lire (1945)	"	.65
100 Lire (1945)	"	1.00
500 Lire (1945)	"	2.00
1000 Lire (1945)	"	1.50

#### MONTENEGRO (Italian Military Occupation)

1941—Banknotes of the Kingdom of Yugoslavia surcharged with Italian handstamp "VERIFICATO" in circle blank.

10 Dinars (Sept. 6, 1939)	U.S. Dollar	5.00
20 Dinars (Sept. 6, 1936)	"	5.00
50 Dinars (Dec. 1, 1931)	"	3.00
100 Dinars (Nov. 30, 1920)		
Watermarks: Head of Karageorge	"	100.00
100 Dinars (Dec. 1, 1929)		
Watermarks: Head of Karageorge	"	15.00
100 Dinars (Dec. 1, 1929)		
Watermarks: Head of King Alexander	"	2.00
500 Dinars (Sept. 6, 1935)	"	20.00
1000 Dinars (Dec. 1, 1931)	"	15.00

\* \* \*

## FOREIGN BANKNOTES IN MANCHURIA

by the late E. Kann

There was extensive circulation of paper money issued by foreign banks with branches, or spheres of interest in Manchuria. We do not refer to Japanese gold yen notes which served useful purposes in Manchuria, because these were not specifically issued for that district, but merely found their way there as a medium of payment for large commercial financing, seeing that Japanese-Manchurian trade was voluminous between 1900 and 1945. There are notes which were created for Manchuria only as, for example, the silver yen issued by the Yokohama Specie Bank, or the yen circulated by the Bank of Chosen. Actually the latter institution was created as bank of issue for Korea. However, being Manchuria's neighbour, the Bank of Chosen made it its policy to spread its note issue throughout Manchuria too. By 1928 it was reliably estimated that more than 46 million yen of Bank of Chosen notes were in circulation within Manchuria. Some time after the foundation of the Bank of Manchou, it was resolved that the Bank of Chosen should recall its notes from Manchukuo; this was actually accomplished.

As already mentioned when discussing foreign banks issues in China, the Russo Asiatic Bank at Harbin, North Manchuria,



emitted in 1918 in conjunction with the Chinese Eastern Railway Co., banknotes in rouble denominations (Rbls. 100, 10, 3, 1 and kop. 50). But this was merely an emergency measure which could not claim much significance, especially because that very period was the beginning of the rouble's end.

Regarding the issues of Japanese institutions, we can usefully refer to a description contained in the "Third Report on Progress in Manchuria to 1932" (pp. 170-71), which is quoted here in extenso:—

"Japanese currency circulating today in Manchuria, particularly in the Railway Zone and the Leased Territory, consists of auxiliary coin and silver yen minted in Japan, and notes issued by the Bank of Japan, the Bank of Chosen, and the Yokohama Specie Bank.

"When the Manchurian trade of Japan, particularly the purchase of soya beans, was growing, the Yokohama Specie Bank opened a branch office at Newchwang (1900) and commenced business in exchange. Following the practice of other foreign banks in the open ports of China, this office of the Yokohama Specie Bank—in 1903—began to issue silver notes payable at sight in the Japanese silver yen. One year after the conclusion of the Russo-Japanese War, the Japanese Government gave orders to the bank to redeem the military notes issued during the war, and, in consideration thereof, granted the bank the privilege of issuing notes in Manchuria. "This banknote is of four denominations, of 1, 5, 10 and 100 yen, all payable in Japanese silver yen and called by the Chinese *yin-piao* (silver note), or *Chao-piao*. The note must be issued only by the branch office of the Bank in Dairen, and is payable only at this branch. This practice still continues. The note-issue progressed favourably for the first several years, and amounted to over 7,000,000 yen at the end of the year 1911. But the fluctuation in the price of silver was so acute that the Kwangtung Government had to adopt in 1908 the unit of the gold yen in the valuation of its revenue, and the South Manchuria Railway in payment of wages, especially for the Japanese employees. In the meantime, the Japanese population gradually increased in the Leased Territory of Kwangtung Peninsula and in the Railway Zone, where the Japanese gold notes issued by the Bank of Japan and the auxiliary currency circulated. In 1913, the Yokohama Specie Bank was finally authorised by an imperial ordinance to issue notes on gold coins, or notes of the Bank of Japan. For this reason the circulation of the Yokohama Specie Bank's silver notes steadily declined, until at the close of the year 1915, the amount of those in circulation was but 2,257,000 (silver) yen. The gold note issue of this bank was continued until 1917, when this privilege was transferred exclusively to the Bank of Chosen. By discontinuing the issue of gold (yen) notes, the note-issue



based on silver became more and more difficult owing to the rise in price of silver. Moreover, the Japanese and other foreign dealers in Manchurian beans preferring the gold unit in their transactions, the Produce Exchange in Dairen adopted the gold unit account in 1921. This movement also affected the silver notes issued by the bank, which fell off to yen 1,037,000 at the end of 1922. Meanwhile the acute fluctuation in the price of silver stopped, and the Produce Exchange of Dairen re-adopted in 1923 the silver unit for account of settlements. Since this date, the note-issue of the Yokohama Specie Bank has been on the increase.

"The following table shows the movement in value of the Yokohama Specie Bank silver note-issue for 24 years:

Year	Amount	Year	Amount
1907	Yen 4,905,000	1919	Yen 2,938,000
1908	3,999,000	1920	1,771,000
1909	2,856,000	1921	1,037,000
1910	3,604,000	1922	1,231,000
1911	7,198,000	1923	1,484,000
1912	3,439,000	1924	1,496,000
1913	4,049,000	1925	3,088,000
1914	2,984,000	1926	3,305,000
1915	2,257,000	1927	5,460,000
1916	4,121,000	1928	9,863,000
1917	3,074,000	1929	5,971,000
1918	2,366,000	1930	5,218,000"

### PAPER MONEY IN INNER MONGOLIA

Soon after the occupation of South Chahar by the Japanese army, at the end of August, 1937, the new Chanan (South Chahar) Government decided to set up a bank of issue. The Chanan Bank was duly founded on September 27th, 1937, with head office in Kalgan. The institution was provided with a nominal capital of one million local yuan, advanced by the Central Bank of Manchou. It took over the silver reserves of the Chahar Commercial Bank, which were deposited in Peking and Tientsin. The bank marked with its identifying mark some 1.3 million of local yuan currency and placed in circulation some quantities of old Manchurian notes of the Three Eastern Provinces Bank, then held in the vault of the Central Bank of Manchou.\*

Shortly after the establishment of the bank on November 22nd, 1937, the District Governments of South Chahar, Suiyuan and North Shansi were brought together under a Joint Committee, later transformed into a Federal Autonomous Government of Mongolia. As a consequence of this political change, Chanan Bank was merged with two local institutions, the Northern Shansi Industrial Bank and the Feng Yeh Bank, and reorganised into the Bank of Mongolia. The new institution was provided with a paid-up capital of MC \$3,000,000, held by the Autonomous Government and entrusted with the control of the money market, the functions of fiscal agent, the development of export trade, the administration of foreign exchange control and operations of ordinary banking business. The small silver reserves of the Chanan



Bank were enlarged by the absorption of the silver stocks and acquisition of the yen exchange held by branches of modern banks and by local official and ordinary banks.

\* See "The Progress of Monetary Unification in the Meng-chiang Provinces", by K. Tokunaga, in the *Kioto University Economic Review* of January, 1940.

The Bank of Mongolia began its operations by withdrawing from circulation the national yuan notes and several other currencies (including the notes stamped or issued by the Chanan Bank, notes of the Central Bank of Manchou and the Bank of Chosen, subsidiary currency and silver and copper coins). At the end of 1937, the note-issue of the new bank amounted to MC \$ 13 million and was covered by a reserve in silver and yen exchange totalling MC \$ 10 million. The policy of the bank was characterised by an uninterrupted expansion of currency, as indicated by the following table:

**Note Issue of the Bank of Mongolia,  
1937-1941**

(in millions of Mongolian yuan)					
1937	December	...	...	...	13
1938	June	...	...	...	19
	December	...	...	...	38.1
1939	June	...	...	...	35
	December	...	...	...	65.1
1940	June	...	...	...	62.7
	December	...	...	...	94.5
1941	June	...	...	...	66.4

(Source: The Bank of Mongolia Monthly)

The extent of inflationary tendencies is disclosed in the remarkable growth in the reported loans of the Bank of Mongolia to the Government. By December 31, 1940, these loans amounted to MC \$ 115.7 million. Other reported assets of the bank on this date included MC \$ 15.4 million in government bonds, and 17.9 millions in shares of semi-official enterprises, including three banking subsidiaries, a trading company and various industrial undertakings, like public utilities, petroleum, cement, flour, etc. The importance of its official business may be gauged by the fact that 70% of its loans and 16% of its deposits were for Government account.

The chief private business of the Bank of Mongolia was the financing of cereal, opium and wool crops and their shipment abroad. However, as the Japanese authorities had fixed the prices on certain Mongolian export goods (such as wool, furs and flour) at lower levels than those prevailing in the Chinese markets, the trade from Mongolia tended to move toward free China and northern China, rather than toward Japan. The failure of the 1939-40 cereal and opium harvests placed the bank in a serious predicament, and it had to obtain "foreign" loans in order to re-adjust its exchange position. Between September, 1939, and July, 1940, the bank received credits from other banks (mainly



from the Federal Reserve Bank of China), totalling nearly MC \$ 16 million, in addition to an "exchange loan" of yen 15 million, negotiated with the Industrial Bank of Japan, the Yokohama Specie Bank and the Bank of Chosen, under an Agreement dated June 6, 1940. This loan was made repayable in one year at an annual interest rate of 4.562 per cent., and renewable for two years. Shares owned by the Bank of Mongolia and the Autonomous Government were pledged as security.

The new Mongolian currency never was in a position to acquire an independent foreign exchange position. At the beginning the Bank of Mongolia endeavoured to maintain its stability according to the official rate of the national yuan in London (8 pence); a form of foreign exchange control was introduced and remittances abroad were limited to MC \$ 3,000. On October 25, 1938, new regulations brought the Mongolian currency into the yen-bloc; consequently, its foreign exchange value was fixed in accordance with the official exchange rate, i.e. 1s. 2d., until October 25, 1939, and at dollar (U.S.A.) 0.23439 afterward. Simultaneously, the new regulations co-ordinated foreign exchange control with Japanese monetary policy by introducing a licence system on all outward movements of goods, and requiring that all export transactions be in yen exchange. Remittances abroad were limited at first to MC \$ 1,000 and later to MC \$ 500 (December 1, 1939) and MC \$ 200 (July 8, 1940). Practically all foreign exchange transactions were handled by the Kalgan branch of the Yokohama Specie Bank.\*

\* This essay is from Frank M. Tamagna's excellent work "Banking and Finance in China", published in 1942 by the Institute of Pacific Relations, New York (pp. 306-309).

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**Mr. Jimmie Lawrence, president of the society, and his wife and family, would like to thank most sincerely the many members of the International Banknote Society who were kind enough to offer him hospitality during his tour of the world. Mr. Lawrence met a large number of our members, particularly in the United States where he attended conventions and exhibitions.**

**His unique collection of South African paper money was put on exhibition in several countries and won a First Award at the San Francisco exhibition.**

**Mr. Lawrence and his family are now touring Australia after a particularly pleasant stay at Hawaii, and expect to return to their home in Johannesburg, South Africa, in the Spring of 1965.**

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#### **MIROSLAV ZAJIC**

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**wishes to exchange banknotes of C.S.S.R. against the banknotes of other states. Corresponds in English, German, French, Russian, Spanish and Esperanto.**



# NEW GRIQUALAND

by VICTOR DELOE

The story of New Griqualand begins with the founding of Griqualand West (Old Griqualand) in 1803, when a group of Griquas, led by Barend Barends, settled north of the Orange River in what is now the Orange Free State. Later groups raised the population to approximately 4,000 in 1823 and by the 1830's there were three communities regarded as sovereign states having the tie of common blood. The easternmost of these located around the mission town of Philippolis, and led by Adam Kok, was directly in the path of the Boers during their great trek to the Transvaal. Failure of the Boers to recognize Griqua territory rights led to fighting, which was ended in 1845 by a treaty establishing an area in which Boers could lease farms. Not satisfied with merely leasing, the Boers illegally bought and seized farms, even in the Griqua lands closed to them.

In 1862 Adam Kok sold all the lands that were left to the Free State and moved, with about 3,000 followers, to the country south of Natal and east of Basutoland, which they named Griqualand East or New Griqualand. Three years after Adam Kok's death in 1876, Griqualand East was annexed to the Cape and in 1903 was admitted into the Transkei, native reserve territories.

By an act of November, 1867, the Assembly authorized an issue of paper money. The only denomination issued was £1 notes printed by Saul Solomon & Co., Cape Town and dated at Mount Currie, January 1, 1868. Mount Currie, rising above the capital of New Griqualand, gave its name to the town until 1869 when the name was changed to Kokstad, in honour of Adam Kok.



A translation of the New Griqualand note is as follows:<sup>1</sup>

In the scroll in addition to the Latin:

Government of New Griqualand  
at the sides surrounding figure 1:

One pound sterling

below:

By decision of the honourable Assembly (Parliament)  
of the 5th November, 1867

Whereby Government notes to a value of

Ten Thousand Pounds Sterling

may be issued against security of all Government  
fixed property

these are to have an obligatory currency of  
ten years

from the 1st January, 1868

and shall after the expiry of that time by a yearly  
amount

of five thousand pounds sterling be destroyed.

The translation and photograph were provided by Miss E. M.  
Shaw of the South African Museum, Cape Town.

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